

GOP 'Killer Amendment' Added:

South Africa Sanctions Bill

Approved by Banking Panel

Legislation imposing a nearly total ban on trade with South Africa is moving ahead in the House, with several committees under instructions from the leadership to complete action by June 9.

The Banking Committee on June 2 became the second House panel to approve the sanctions bill (HR 1580), with a 34-14 endorsement. Six Republicans joined all committee Democrats in supporting the measure.

However, Banking adopted a Republican-sponsored amendment that opponents called a "killer" provision. Approved 27-24, it would broaden the ban on importation of South African goods to include any product — no matter in which country it was manufactured — that contained parts or materials originating in South Africa.

The House Foreign Affairs Committee, which had primary jurisdiction over the South Africa bill, had rejected such an amendment. Foreign Affairs approved the bill on May 3. The conflicting committee recommendations could be resolved by the Rules Committee or could be sent to the House floor for a vote.

Four committees have yet to act on the South Africa bill: Armed Services, Intelligence, Interior and Ways and Means. All four said they hoped to complete action by an informal June 9 deadline established by Speaker Jim Wright, D-Texas. A fifth panel, Public Works, declined to act on the bill.

The bill could reach the House floor later in June, and its passage is all but assured. However, the Senate is unlikely to adopt such a sweeping approach, and President Reagan has vowed to veto any further "punitive" sanctions against South Africa. HR 1580 considerably strengthens economic sanctions that Congress imposed in 1986 over Reagan's veto. Proponents say the sanctions will demonstrate U.S. opposition to apartheid, the South African system of legal discrimination

against blacks and other non-whites. (*Weekly Report* pp. 1400, 1234)

McCollum Amendment

The focus of attention at the Banking Committee was a seven-word amendment, sponsored by Bill McCollum, R-Fla., that could alter substantially the thrust of the bill.

As approved by the panel, McCollum's provision amended a section of the bill barring importation into the United States of any article grown, manufactured or produced in South Africa — except for strategic minerals necessary for U.S. defense or industry. The amendment added to the import ban any item "of which any component

called the amendment "an effort to beat the bill to death" by adding "unworkable" provisions potentially expanding the scope of the bill to cover imports from any country doing business with South Africa.

"I'd like to be able to impose our views on this on the whole world, but we can't," he said.

The committee approved the McCollum amendment on a surprise vote of 27-24, with seven Democrats joining all committee Republicans in favor. One Democrat, Marcy Kaptur of Ohio, said she supported the amendment in hopes of preventing countries such as Japan from benefiting because of U.S. sanctions against South Africa.

Other Amendments

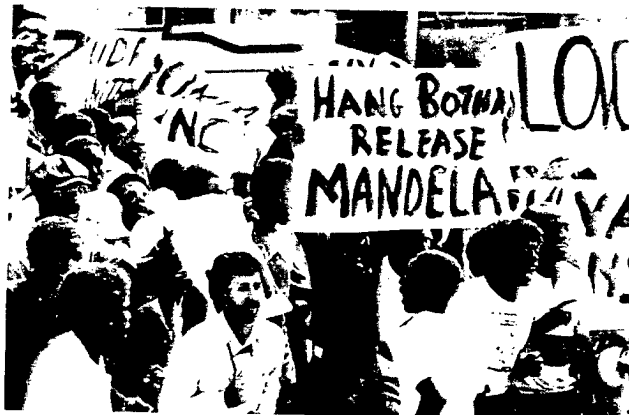
The Banking Committee rejected, 17-34, another McCollum amendment that would have allowed the president to lift any of the South African sanctions that would cost the jobs of 100 or more American workers.

The committee also came close to reaching agreement on another amendment offered by Jim Leach, R-Iowa, allowing U.S. citizens to invest in South African companies owned by blacks or other non-whites. As written, the bill would bar any U.S. investments in South African companies within six to 12 months of enactment.

Leach originally proposed to allow investments in South African companies that are "majority-owned" by non-whites. But at the urging of Frank and others, Leach proposed allowing investments in companies that are "wholly" owned by non-whites, apart from any holdings of persons outside South Africa.

However, committee members could not settle on an exact text, so Leach withdrew his amendment with the understanding that the committee leadership would ask Rules to allow him to offer it on the House floor.

The committee avoided a vote on another controversial issue: a request by Citicorp and other banks that they be allowed to reschedule existing loans to South Africa. David Dreier, R-Calif., had planned to offer an amendment allowing a renewal of loans scheduled to expire by 1990. But committee aides said such an amendment would have been rejected.



While South Africa's blacks continue to demonstrate against apartheid, Congress weighs new economic sanctions.

or constituent part" came from South Africa. An example would be diamonds that originate in South Africa and are reworked in Israel before shipment to the United States.

Without such an amendment, McCollum said, the sanctions bill is "putting American industry at a disadvantage," because other countries could import raw materials from South Africa and then export them to the United States as finished products.

McCollum acknowledged that he opposed new sanctions against South Africa, but said his amendment was needed to accomplish the bill's intended purpose. "Are we going to impose sanctions or aren't we?" he asked.

But Barney Frank, D-Mass.,

—By John Felton